

November 05, 2024

L/DOBS/IB-328/IR/2024-2025/951

To,  
Compliance Officer and Designated Directors  
**Geojit Financial Services Ltd. (Clg No-328)**  
11th Floor, 34/659-P,  
Civil Line Road,  
Padivattom,  
Kochi-682024

Dear Sir / Madam,

**Sub: Final letter pertaining to Inspection conducted by the Exchange in FY 2024-25**

Please refer to **Annexure A** to this letter with the details of non-compliances observed by the Exchange after taking into consideration the submissions and clarifications offered by you. You are also advised to take necessary steps to ensure that such non-compliances do not recur.

A penalty of **Rs. 20,000/- (Rupees Twenty Thousand Only)** is being imposed on you for non-adherence to the regulatory requirements pursuant to the Exchange Notice No. 20180214 - 31 dated February 14, 2018.

The penalty will be debited to you through the General Charges Bill. However, if you are aggrieved by the penal action described in the aforementioned paragraph, you may submit a request within a time frame of 10 working days from the date of this letter along with necessary documentary evidence and a request for personal hearing, if required, in support of your request.

All correspondence/email in this matter shall be with subject line *"Reply to Final Action Letter <name of the Trading Member> - <Clg. No.> FY 2023-24"* and is to be marked to the mail id [Enforcement@bseindia.com](mailto:Enforcement@bseindia.com).

It may further be noted that any representations made after the lapse of the 10 working days period from the date of this communication shall not be considered by the Exchange and no further extension shall be granted to file a request for seeking waiver from the Exchange.

If the Exchange does not receive any representation from the Trading Member within the prescribed time frame it will be presumed that the Trading Member does not have any objection and has agreed to pay the penalty to the Exchange.

Please note that in case the similar non-compliances are observed during a subsequent inspection by the Exchange, applicable action including an escalated penalty may be imposed pursuant to the Exchange Notice No. 20180214 - 31 dated February 14, 2018.

Further, you are requested to submit a compliance certificate, from your Compliance Officer within 10 days from the receipt of this letter stating that all the recommendations made above have been implemented. Failure to furnish the compliance certificate within the timelines or submission of an incorrect compliance certificate (in case similar observations are observed by the Exchange or your



internal auditor, etc. post the submission of the compliance certificate) may result in further action being initiated by the Exchange.

You are also required to place the letter before your Board for necessary action and the letter is to be taken into consideration by your Board for the performance appraisal of the concerned individual who is responsible for the lapse/ deficiency.

We thank you for your co-operation during the inspection.

Yours faithfully,



**Vandana Vania**  
Asst. Gen Manager  
(Enforcement)



**Shaila Menon**  
Asst. Gen Manager  
(Enforcement)

**Annexure A**

<b>Name of the Member</b>	<b>Geojit Financial Services Ltd.</b>
<b>Clearing Number</b>	328
<b>Inspection Year</b>	F.Y. 2024 – 2025
<b>Date of First Letter</b>	October 23, 2024
<b>Date of Response to First Letter</b>	November 04, 2024

• **Details of Non-Compliance observed after considering the responses provided, where monetary penalty is applicable:**

1. **Inspection observation:**

During verification of UCC onboarding process, it was noted that the client was not given option to choose between Monthly and Quarterly running account settlement option. The option of Quarterly settlement is by default selected in online account opening process.

**Response from Trading Member:**

We wish to submit that in the initial stage of online account opening, we had given an option to choose between Monthly and Quarterly running account settlement while onboarding the client.

Later, to align the online onboarding process with other broking entities in the industry, we have moved this option from the front end and provided this option in their respective customer care login page (client's own customer care page under user profile). Accordingly, the option to choose between Monthly and Quarterly running account settlement was available to all customers through online mode itself. The screenshot of this online facility available on customer care portal is attached for ready reference. This online facility (option to choose between Monthly and Quarterly running account settlement) is available to all our customers onboarded through online mode or otherwise.

In the given observation, considering due importance to the observation and compliance standards, we have immediately taken steps to streamline this process in the online account opening. After successful testing, now we have provided this option in the front end, so that while onboarding in the online mode, the client will be able to choose 1 between Monthly and Quarterly running account settlement option. The relevant screenshot taken from the process flow chart is attached.

Further, we would like to submit that to offer hassle free settlement option to clients, we are also maintaining the said online facility in the customer care portal to choose between Monthly and Quarterly running account settlement option.

**Analysis:**

The Member has accepted the observation and confirmed post compliance. The Member has also provided screenshot showing providing option to choose the preference of frequency between Monthly and Quarterly running account settlement through online mode.

Ys.  
S

**Decision:**

A penalty of Rs. 20, 000/- is being levied on the Member for not obtaining Client preference towards frequency of settlement i.e. either monthly or quarterly.

✓  
18